

Best Small Cities for Startups

By John Tozzi

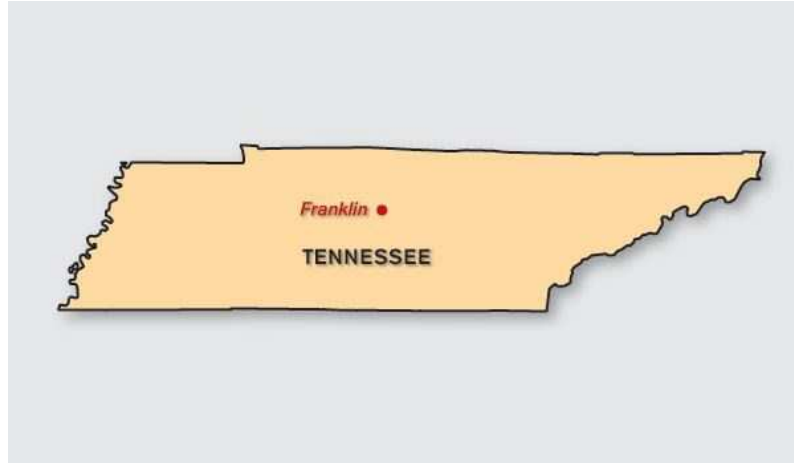


Where is the best location for your startup? While the answer obviously depends on the type of venture you're starting, a few universal qualities apply: affordability, availability of a talented labor pool, existence of a thriving business community, and quality of life.

With these factors in mind, *BusinessWeek* set out to find the best small cities for startups in each state, aiming primarily to profile places where high-growth companies could thrive. We asked San Francisco-based GIS Planning, a geographic data provider that helps companies select optimal sites through its ZoomProspector Web site, to identify the best small city to start a business in every state across the country, examining cities with populations between 20,000 and 200,000. The choices took into account 11 factors that shape a city's entrepreneurial climate, from the education level of the workforce to the amount of venture-capital investment to the number of startups.

We then asked entrepreneurs in each place to tell us about doing business there, to match an on-the-ground perspective to the data. Because we chose to highlight only one small city in each state, our list necessarily leaves off many great places for startups, particularly in populous states with many cities to choose from. Click on for excerpts of each interview and a look at snapshots of each city.

How we chose the cities: ZoomProspector selected the best small city (with population between 20,000 and 200,000) in each state based on a formula weighing the following 11 factors: workers with at least a bachelor's degree (2008); white-collar workers (2008); "young and educated" population (2005-07); workers in "creative" professions (2005-07); international talent (2005-07); universities (2007); patents (2007); venture-capital funding (2006); small businesses per capita (2008); sole proprietors per capita (2005); and startups per capita (2004-05). All data was compiled by ZoomProspector. For more on the sources of data, see the ZoomProspector profile of each city linked to from the slide title. Cities are listed alphabetically by state.



Tennessee

Franklin

Population: 50,559

Labor force: 28,280

Startups per 1,000 people: 4.49

Small business per 1,000 people: 46

What to know about starting up in Franklin:

"It's a very vibrant, growing community with a good education system and with people who are very attuned to the importance of quality of life, family time, and balancing that with careers and business. Once you identified a top candidate and bring them here, any negative perception that they may have had about coming to a small town in Tennessee is really overcome once they're here and they see the community and they get the feel for the quality of life."

-Sam Lynch, founder and CEO, biotech development company BioMimetic Therapeutic.

For the full article, please visit:

http://images.businessweek.com/ss/09/03/0327_smallcity_startups/index.htm